



PUBLIC DISCLOSURE COMMISSION

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TO: Members, Public Disclosure Commission

FROM: Doug Ellis
Director of Public Outreach

DATE: August 21, 2001

SUBJECT: Proposed Rule-Making Regarding I-134 Thresholds and HB 1770

This package of proposed rules consists of one possible rule amendment and one new rule implementing an existing PDC interpretation. The proposed rules would change the limit and threshold amounts established by Initiative 134 and convert PDC Interpretation 01-02 into a rule.

- Amend **WAC 390-05-400 Changes in Dollar Amounts**. RCW 42.17.690 requires the Commission to revise the dollar amounts established by Initiative 134 at the beginning of each even-numbered year. This possible rule amendment would make inflationary adjustments.

The Commission could decide that the proposed values should be adjusted to a different level, so long as that level is within 10% of the target amount for each value. Or, you could determine that the current values should remain in place for the 2002 elections. (Since inflation has been low, the existing dollar amounts are, in fact, within 10% of the respective target amounts.)

- Adopt **WAC 390-17-302 Contributions after the Primary Election**. This possible new rule would permanently adopt PDC Interpretation 01-02, which clarifies House Bill 1770 allowing contributions to be made to primary election losers for 30 days after the primary to pay off debts incurred during the primary election.

Commission Action: If approved, staff will file the CR 102 Proposed Rule-Making notice with the Code Reviser's Office on or before September 19, 2001. A public hearing will be scheduled for October 23, 2001 and, if adopted, the rules would become effective on January 1, 2002.

WAC 390-05-400 **Changes in Dollar Amounts.** Pursuant to the requirement in RCW 42.17.690 that the commission biennially revise the dollar amounts found in Initiative 134 to reflect changes in economic conditions, the following revisions are made:

Code Section	Subject Matter	2000 Amount	Target Amount	Staff Rec.
.020	Definition of “Independent Expenditure”	\$600	\$611.35	\$625
.125	Reimbursement of Candidate for loan to own campaign	\$3,800	\$3,668.12	\$3,800
.180(1)	Report-- Applicability of provisions to Persons who made contributions Persons who made independent Expenditures	\$12,000 \$600	\$12,227.07 \$611.35	\$12,500 \$625
.640(1)	Contribution Limits— Candidates for state leg. office Candidates for other state office	\$600 \$1,200	\$611.35 \$1,222.70	\$625 \$1,250
.640(2)	Contribution Limits— State official up for recall or pol comm. supporting recall— State Legislative Office Other State Office	\$600 \$1,200	\$611.35 \$1,222.70	\$625 \$1,250
.640(3)	Contribution Limits— Contributions made by political parties and caucus committees State parties and caucus committees County and leg. district parties Limit for all county and leg. District parties to a candidate	.60 per voter .30 per voter .30 per voter	.611 .305 .305	.64 .32 .32
.640(4)	Contribution Limits— contributions made by pol. parties & caucus committees to state official up for recall or committee supporting recall State parties and caucuses County and leg. district parties Limit for all county & leg. district parties to state official up for recall or pol. comm. supporting recall	.60 per voter .30 per voter .30 per voter	.611 .305 .305	.64 .32 .32
.640(6)	Limits on contributions to political parties and caucus committees To caucus committee To political party	\$600 \$3,000	\$611.35 \$3,056.76	\$625 \$3,200
.740	Contribution must be made by written instrument	\$60	\$61.13	\$60

WAC 390-17-302 Contributions after the Primary Election.

(1) Pursuant to RCW 42.17.640(1), the date of the primary is the last day for making primary-related contributions unless a state office candidate loses in the primary, that candidate's authorized committee has insufficient funds to pay debts outstanding as of the date of the primary, and the contributions are used to satisfy this outstanding debt.

(2) For purposes of the contribution limit in RCW 42.17.640, any contribution made up to 30 days after the primary election pursuant to RCW 42.17.640(1) is aggregated with contributions made on or before the date of the primary from the same contributor and any person with whom that contributor shares a limit under RCW 42.17.660 and WACs 390-16-309 and 390-16-311.

(3) The day following the primary election is considered the first day of the 30-day period during which contributions may be made to state office candidates who lose in the primary election and who have outstanding primary debts.

(4) For purposes of RCW 42.17.640(1), "outstanding primary debts," "outstanding debts" and "debts outstanding" all mean:

(a) unpaid primary-election related debts incurred on or before the date of the primary by the authorized committee of a candidate who lost the primary election for a state office; and,

(b) reasonable costs associated with activities of the losing candidate's authorized committee necessary to retire the primary-related debts it incurred on or before the date of the primary. Examples of such reasonable costs include:

(i) necessary administrative expenses (office space rental, staff wages, taxes, supplies, telephone and computer costs, postage, and the like) for activities actually and directly related to retiring the committee's debt; and

(ii) necessary expenses actually and directly related to the fund raising activities undertaken to retire the debt, as long as all persons solicited for contributions are notified that the contributions are subject to that contributor's primary election limit for that losing candidate.

(5) Nothing in this section is to be construed as authorizing contributors to make, or state office candidates who lose the primary to receive, contributions that are used for a purpose not specifically authorized by RCW 42.17.640(1), including use for some future election or as surplus funds.

(6) All contributions received in excess of the sum needed to satisfy outstanding primary debts shall be returned to the original contributors in an amount not to exceed the amount contributed in accordance with the First In, First Out accounting principle wherein the most recent contribution received is the first to be returned until all excess funds are returned to contributors.